

This is the original of the Cost Analysis
Section of the legislative proposal for S. 2714.
The other originals in the package are in the
Legislative History book on the bill (P. L. 93-210).

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ESTIMATED COST

In determining the cost of this legislation, the Civil Service Commission in its comments on the same proposal observed that:

"To the extent that employees delayed retirement by a few months they would (1) pay contributions to the Fund for a longer period, and (2) not receive any annuity for those months--a combination necessarily resulting in more money in the Fund. On the other hand, to the extent that employees who would have retired after the effective date of the cost of living increase anyway receive a higher annuity than they would have received if they had retired on the effective date, more money would be paid out of the Fund."

25X1A

It is estimated that the legislation will increase the unfunded liability of the CIA Retirement and Disability Fund by [REDACTED] in the case of retirees and survivors since 2 July 1973 and by about [REDACTED] for those who would be made eligible for the cost of living adjustment which is scheduled to take effect on 1 January 1974. (the [REDACTED] 25X1A figure was arrived at by applying the correlation which exists for the Civil Service system estimate of unfunded liability for the class of retirees and survivors whose annuities become effective after 1 July 1973 and 1 January 1974).

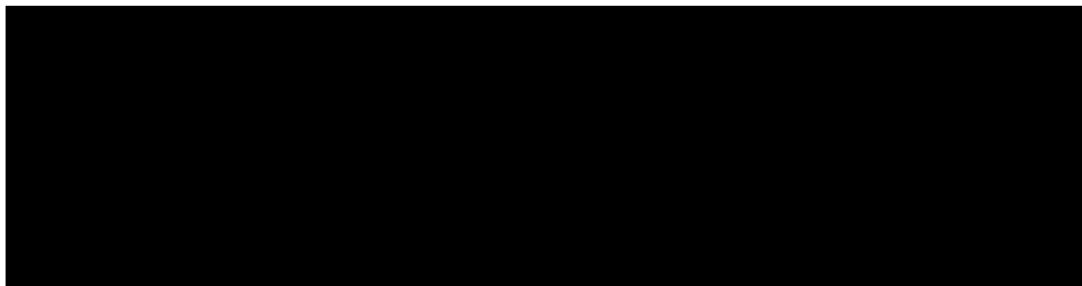
25X1A

25X1A

Under proposed draft legislation which would place the funding of the CIA Retirement Act on the same basis that applies to the Civil Service retirement system, there would be paid by the Treasury a certain amount of the interest due on the additional unfunded liability of [REDACTED] which is created by this legislation. Using a five percent valuation the interest due would amount to [REDACTED] per annum and over a five year period the payments into the Fund would amount to:

25X1A

25X1A



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